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Since the removal of Dr. Heinrich MUERMAYER from his position as Chief of the Vienna State Police (Staatspolizei) in the autumn of 1947 and the ensuing decline of Communist influence in that Division of the Vienna Police Directorate, Soviet authorities in Vienna have used Communist members of the Economic Police (Wirtschaftspolizei) to perform services previously rendered by Soviet sympathizers in the State Police. The location of Economic Police headquarters in the Soviet Sector of Vienna and a predominance of Communist personnel make the Economic Police particularly susceptible to Soviet pressure. The centralized control of the Economic Police and the peculiar arrest authority of its investigators offer additional possibilities for Soviet use.

2. Moritz Fels-Margulies, assistant chief of the Black Market Control squad and a staunch Communist, is the principal Soviet instrument in the Economic Police. He has organized a group of Communist subordinates which acts as an arresting agency of the Soviets. The group's method of operation was clearly demonstrated in the case of Emmerich ROSWALD, who was arrested in the American Sector on black market charges and transferred to Soviet custody.

Economic Police Organization

3. The Economic Police, which is a branch of the Criminal Police (Division II of the Vienna Police Directorate), enforces price control regulations and combats black market activities. The headquarters is at Aspernstrasse 2, Vienna II (Soviet Sector) directly opposite the local Communist Party offices. There are about three hundred and fifty employees, including two hundred investigators and some one hundred and fifty clerical workers. The Economic Police is under the jurisdiction of Dr. Otto FORN, and is divided into two sections: the Price Control squad, with about one hundred and twenty investigators, and the Black Market Control squad, with about eighty investigators. Josef BALOG is responsible for Price

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Control enforcement; Erwin HUTTERER, assisted by Moritz Fels-Margulies, directs Black Market Control operations. Black Market Control investigators have authority to make searches, seizures, and arrests anywhere in the City of Vienna. They are required to notify the local police chief of contemplated house searches or arrests in a given Bezirk, but after complying with this formality they are at liberty to conduct their investigations without hindrance or interference by the Bezirk police chief. Especially important black market cases are handled by a small group of special investigators under the direct supervision of Dr. FORM.

4. A great many of the one hundred and twenty investigators of the Price Control squad are specialists in commercial matters and are well qualified for their duties. Balog has been able to keep his section free from Communist influence, partly because he recruited for the Price Control squad a number of his anti-Communist former colleagues in the Uniformed Police (Sicherheitswache). Communist influence is, however, strong in the Black Market Control squad. This is traceable in part to the fact that some Communist members of the State Police were transferred to the Economic Police when an effort was being made to weaken Communist influence in the former.

Economic Police Personnel

Dr. Otto Form, Oberpolizeirat

Born about 1892 in Vienna, son of a former Vice-President of the Vienna Police Directorate. Career policeman in the service of the Vienna police since 1918; remained with the Economic Police during the German occupation of Austria. FORM's political affiliations are unknown, but he is an outspoken enemy of the U.S. and is believed to be in sympathy with Communist principles. He is a bachelor, lives modestly, and studies philosophy as a hobby. Is reputed to be very intelligent.

Josef Balog, Amtasskretaeer

About fifty years old; a career police officer with a record of twenty-five years' service as a member of the uniformed police. Attached to Price Control squad of Economic Police since 1945. Former Social Democrat and a confirmed anti-Communist. Friend of Minister of Interior Helmer.

Erwin Hutterer, Polizeirat

About fifty-one years old; has been with the Vienna Police since 1933; an expert police official. Not sympathetic to Communism, but is weak and easily influenced. In his present position he has been intimidated by Fels-Margulies, whom he is.

Moritz Fels-Margulies, Polizeioberkommissaeer

Born 18/1910 at Cernauti, Romania; acquired Austrian citizenship in December 1946; lives at Schubertstrasse 7/9, Vienna I; married, ardent member of the Communist Party; intelligent. Fels-Margulies, formerly a ticket broker, joined the Vienna Police in 1945. During the war, he had served with the Freiheitskämpfer under Major Peter ROGER. Fels-Margulies was one of several former Freiheitskämpfer who, although they were not professional policemen, were placed in influential police positions by the Soviets after the capture of Vienna. Until 1946, Fels-Margulies was general secretary of the Cultural Section (Kultur-Referat) of the Vienna Police. The Section was abolished in July 1946 because of British protests against its use as a Communist front organization. Fels-Margulies, however, continues to direct a non-official cultural association for police officers. This he uses for Communist propaganda purposes. He is one of the two Communist Party representatives in the Vienna Policemen's Union; the other is Police Vice-President Othmar STROBL. Although Fels-Margulies is nominally only the assistant chief of the Black Market Control squad, he actually controls its policy and procedure. He has intimidated his chief, Hutterer, to the extent that the latter submits questions of policy to him for approval prior to communicating with higher officials. Because Fels-Margulies

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is not experienced in police work, he depends on Hutterer for guidance in administrative matters. Fels-Margulies receives Soviet visitors in uniform and in civilian clothes every day. Six Communist employees of the Economic Police act as his agents in executing Soviet instructions. Four of these men work directly under Fels-Margulies and two are assigned to Form's special investigation squad. These men are:

Ralph Siegert, Amtsassistent

Born 4 January 1904 in Vienna; married and has two children; lives at Taborstrasse 24/2/1/8, Vienna II. Attended elementary, trade, and commercial schools in Vienna. A former textile salesman, he is not a trained policeman. Entered police service in May 1945 and was transferred to the Black Market Control squad early in 1947. Communist Party member, and trusted assistant and favorite of Fels-Margulies; intelligent.

Walter Maschek, Kriminalbeamter

Born 4 November 1922 in Vienna; single; lives at Schiffstaergasse 18/9, Vienna II. Attended elementary, secondary, and trade schools in Vienna. Aircraft mechanic by profession. Began work with the Vienna police in July 1945 and was transferred to the Black Market Control squad in early 1947. Communist Party member. [REDACTED] Comment: It was Maschek and Pfeifer (see below) who arrested Emerich BOSNIAR on a warrant signed by Siegert.) 25X1A

Karl Pfeifer, Kriminalbeamter (temporary)

Born 17 August 1922 in Vienna; single; lives at Obere Donaustrasse 79/9, Vienna II; cabinet maker and joiner by trade. Attended elementary and trade schools in Vienna. Joined the Vienna police in April 1945 and was transferred to the Black Market Control squad early in 1947. Communist Party member.

Heinz Kolb, Amtsassistent

Born 5 March 1922, Vienna; single; lives at Viktorgasse 18/18, Vienna IV. Attended elementary, secondary, and commercial schools in Vienna and is at present studying law. Entered police service in June 1945 and was transferred to the Black Market Control squad in 1947. Communist Party member.

Karl Prauss, Kriminalbeamter

Born 9 July 1909 in Cernauti, Romania; married; lives at Wolfgangsgasse 17/11, Vienna XII; locksmith's assistant and mechanic by trade. Attended elementary and trade schools in Vienna. Began work with the Vienna police in July 1934; later resigned. From August 1944 to May 1945, interned in concentration camp near Oslo, Norway. Was re-employed by the Vienna police in January 1946 and since April 1946 has been a member of Form's special investigative group.

Friedrich Hoenlinger

Born 10 December 1909 in Kaidling near Znojmo, now in Czechoslovakia; Austrian citizen; married; lives at Albrechtstrasse 16, Klosterneuburg. Attended elementary and commercial schools. Joined Vienna police in May 1945 and was assigned to Form's squad in May 1946. Communist Party Member.

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